
KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

MEETING DATE: Thursday, November 15, 2012
PLACE OF MEETING: County Administration Building
201 West Kalamazoo Avenue, 207a
TIME: 4:00 pm

AGENDA

1. Call to Order ~ 4:00 pm
2. Members Excused ~ **4:01pm** -
3. Approval of the Agenda ~ **4:02 pm – action**
4. Approval of Minutes: BRA Minutes of October 25, 2012 ~ **4:03 – action**
5. Citizens Comments (4 minutes each / Please state name and address)
6. Consent Calendar
7. Discussion and/or Action Calendar ~ **4:05**
 - a. **Discussion** – BRA Board Membership
 - i. Officers – Vice Chair and Secretary/Treasurer
 - ii. Committee rosters
 - iii. Letter to Ruth Blake
 - b. **Action/Discussion** – Financial status reports
 - i. Budget Adjustments
 - ii. Midlink
 1. Approve TIF Payment
 2. Reimbursement Analysis
 3. Interest Calculation
 - iii. Brown Family Holdings Reimbursement Analysis
 - c. **Discussion** – 306 N Grand Schoolcraft – November 1 meeting with DDA
 - i. Next steps
 1. MOU with Land Bank
 2. Agreement with Village/DDA
 3. Review of DEQ files
 - d. **Discussion** – EPA Grant Application Draft
 - e. **Action** – Contract offer to 2013 consultant
 - f. **Action** – Upcoming Conferences
 - i. National Brownfield – May 15-17, 2013
8. Staff Reports ~ **4:40**
 - a. Checker Motors Site
 - b. December Meeting
9. Committees - times dates and places ~ **4:50**
 - a. Land Bank Report– Thell Woods
 - b. Project/Finance Committee – verbal report/meeting schedule Thursday, Dec 13th, 4:00 pm
 - c. Executive Committee – verbal report/meeting schedule Friday, Dec 14th, 7:30 am
 - d. PR/Media Committee –
10. Other –
11. Board Member Comments
12. Adjournment ~ **5:00 pm - action**

Next Meeting: 4th Thursday – December 20, 2012 at 4 pm (room 207a, County Admin Bldg)
PLEASE CALL 384-8112 OR EMAIL LAADAM@KALCOUNTY.COM
IF YOU ARE UNABLE TO ATTEND THE MEETING

KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
Board of Directors Meeting
MINUTES

MEETING DATE: Thursday, October 25, 2012 at 4:00 p.m.

PLACE OF MEETING: Room 207A, County Administration Building

Present: Joe Agostinelli, Clare Annen, Brandt Iden, Kenneth Peregon, Julie Rogers,
Anne Summerfield, Thell Woods, Matthew Van Dyk, Andy Wenzel

Members Excused: Travis Grimwood, Ruth Blake

Kalamazoo Township: George Cochran

Community: 2

Staff: Lee Adams, Jeff Hawkins, Lotta Jarnefelt

Recording Secretary: Zena Vos

1. Chair Agostinelli call the meeting to Order at 4:00 pm
2. Members Excused: Travis Grimwood, Ruth Blake
3. Approval of the Agenda: **Wenzel moved and Summerfield seconded approval of the agenda. Motion Carried.**
4. Approval of Minutes: **Rogers moved and Wenzel seconded the approval of the September 27, 2012 minutes. Motion Carried.**
5. Citizens Comments: None
6. Consent Calendar: None
7. Discussion and/or Action Calendar ~ **4:05**
 - a. **Discussion** – BRA Board Membership
 - i. Jarnefelt - New member Travis Grimwood was appointed at the last County Board of Commissioners meeting. He is not able to attend this meeting due to a previous commitment.

Ruth Blake, who initially expressed interest in renewing her appointment, recently decided to resign from the board. Although her health assessment was good, she still can't guarantee to give 100%.

Annen & Rogers have expressed interest in continuing to serve on the BRA & EDC board.
 - ii. Iden - The County Interview Committee was going to renew all three appointments. There are no applications pending. The lack of pending application will create a vacancy on the board.

- iii. Rogers - at a candidate forum for county commission last week, the lack of diversity on appointed boards was a concern raised. It may be helpful to make the process more transparent. We should advertise the opening on the website and send a press release to Kalamazoo Gazette.
- iv. Jarnefelt - maybe the BRA should advertise on the radio too.
- v. Agostinelli - In support of advertising publicly but keep in mind it is the County Board rule to appoint.
- vi. Rogers - in the past, the County boards have asked the opinion of the BRA members. She expressed that Blake was valuable to the board with her assessor background.
- vii. Iden - will take it to the interview committee.

b. **Discussion** – Financial status reports

- i. Jarnefelt – Talked to Chad Meints from Comstock Township regarding the Midlink TIF collection. Comstock Township made an error in their TIF calculation. They sent us the full tax revenue instead of the increment over the base value in 2008. They overpaid in the total amount of \$33,720.77 (Letter of explanation from Comstock Township and spread sheet were attached).

Note that due to rounding differences (BS&A always rounds down), the sums in the spreadsheet and the BS&A reports are off by \$0.53. The official numbers are the BS&A numbers.

It was requested that the BRA authorize staff to refund the overpaid amount of \$33,720.77.

Motion to approve the refund to Comstock Township in the total amount of \$33,720.77 made by Annen and seconded by Woods. Motion Carried.

- ii. Tracking Sheet

Jarnefelt – Staff received the Maximus report. The report allocated \$1,139.00 for county costs attributable to BRA activities. Staff estimated that 80% is attributable to Midlink, and 20% to the BRA general account. This is the cost to reimburse the County thru the end of 2011. \$911.20 comes from Midlink account and the \$227 would come from BRA general fund.

Motion to approve the transfer back to the County in the total amount of \$1,139.00 made by Woods and seconded by Iden. Motion Carried.

- iii. Jarnefelt – FYI - Received estimated TIF calculation of \$5,278.40 from Kalamazoo Township for Family Brown Holdings.

- c. **Discussion** – 306 N Grand Schoolcraft – Nov. 1 meeting with DDA at 8:00 a.m. Agostinelli informed staff he cannot make it to the meeting.

Adams & Jarnefelt will attend the meeting along with Kelly Clarke from the Land Bank. The meeting should inform staff of the attitude towards a brownfield project in Schoolcraft.

Adams – The septic drain field is not allowed under an impervious surface such as parking lot and must be 3 ft away from a lot line.

d. **Discussion** – EPA Grant Application Update

Hawkins – ET Submitted and received the required application letter from the MDEQ. ET will use updated letters of support from BRA community supporters. The letters of support must come from community organization, not governmental organization. The draft should be ready for review prior to the November 19 due date.

Question/Comment to the Board: Should the board pursue both petroleum and hazardous substances grants? The BRA did not pursue Petroleum funding last year; it is difficult to spend because of the eligibility requirements associated with it.

The City of Kalamazoo is not applying for EPA grants this year

Rogers – recommends applying for both grants if it can fit in the allowed pages 15 page application.

e. **Action and Discussion** – RFP review and recommendation process

Adams – received 7 responses to the RFP. From: ASTI, ET, NTH, Fleis and Vanden Brink, PM, and SME.

Agostinelli – Need to make a decision on how and what approach to take on reviewing the applications.

Peregon – Were there any criteria established for the RFPs review?

Jarnefelt – when BRA received the \$400,000 grant, they had extensive review criteria and point system. When staff renewed the contract with ET, they did not use the point system.

This contract is for general “go to” consultant and would potentially do the assessment work that is needed next year. If the BRA receives grant funds, we will send out another RFP for the grant work. Consultants that responded to RFP are aware that they are not necessarily the consultant if the BRA receives a grant.

Agostinelli –The Executive Committee will review the responses at their next meeting. They will come up with a recommendation for the next board meeting. Staff will do a preliminary review and prepare summary for the committee meeting.

f. **Action** – Upcoming Conferences

- i. MEDA – November 27, 2012 – Economic Development Training

Staff will send out the flier if anyone is interested. Member fee is \$90.00, non-member is \$165.00. Registration deadline is November 20, 2012.

- ii. National Brownfield – May 15-17, 2013 Conference in Atlanta
Adams – Reminder: Airfare is more expensive and accommodations are harder find as the conference gets closer.

Agostinelli – if anyone is interested send an email to staff.

8. Staff Reports ~ **4:40**

- a. Land Bank Tour
Adams spoke and Woods attended. They visited several sites. The tour had good attendance (about 30 people in the bus) with many good questions.
- b. CMS Update
Jarnefelt – CMS decided not to apply for assessment money. Not sure why. They did not have the sales agreement.
- c. November and December Meetings
Agostinelli – supports in moving the November meeting to the 15th and the December meeting to the 20th. Staff will send out notice.

9. Committees - times dates and places ~ **4:50**

- a. Land Bank Report– Thell Woods
Woods – The National Land Bank conference was quite nice. He brought in packets for anyone interested.
 - The land bank did not have formal meeting in October.

Adding to the agenda: Update on NBA Chicago Conference

Jarnefelt – Attended the NBA conference in Chicago with Adams. It was a 2 half day conference. She will email a summary to the board. Adams managed to get one registration for free and he stayed with his brother, took the train and saved some money.

Woods – Commented on the Georgia Pacific tour. What they are doing is quite impressive, especially the layers they are putting on the land fill. Adams & Jarnefelt also attended the tour.

Jarnefelt – Three companies - Arcadis, Terra and Georgia Pacific have worked well together for years. It's landfill but nice looking, functioning and clean. There is a lot of testing done continuously. It is impressive.

- b. Project/Finance Committee – verbal report/meeting schedule Thursday, Nov 8th, 4:00 pm
- c. Executive Committee – verbal report/meeting schedule Friday, Nov 9th, 7:30 am
- d. PR/Media Committee – Report from presentation to Institute of Management Accountants

Agostinelli – Presented with Hawkins last Tuesday at Gallagher's. It was a good exposure for the BRA.

10. Other –

Rogers – has been approached by several people asking her regarding the Checker Motor facility. It is getting worse and possibly a public health hazard. Many are asking if there's anything the Brownfield can do about it.

Summerfield – drove by it last week, it is atrocious. Building is fenced off and inaccessible to the public. The building is sitting there as rubble. What is the status of the property in term of ownership?

Peregon – Checker does not own the property.

Hawkins – the property is owned by the demo company who got it out of bankruptcy but didn't do a BEA or any due diligence on the property. They may be the liable party.

Rogers – It would be helpful if staff investigated.

11. Board Member Comments

Adams – Staff received two resignations – Baumgart and Blake.

Agostinelli – The Executive Committee is now missing two people. Need to shift one person from project and finance to executive.

Staff will invite Grimwood to join the executive next month. The BRA will re-evaluate the committee rosters at the next meeting.

Rogers requested to send thank you letter to Ruth Blake.

Jarnefelt – sent a thank you letter to Larry Baumgart. Will send a thank you letter to Blake.

12. Adjournment ~ **5:15 pm – action**

Next Meeting: 4th Thursday – November 15, 2012 at 4 pm - room 207a, County Admin Bldg

Expenditure Status Report
 KALAMAZOO COUNTY
 1/1/2012 through 12/31/2012

247 BROWNFIELD REDEVELOPMENT AUTHORITY
 001 MIDLINK REDEVELOPMENT

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
808.00 CONTRACTUAL SERVICES	-6,000.00	0.00	0.00	0.00	6,000.00	0.00
808.11 CONTRACTUAL OTHER	0.00	229.42	229.42	0.00	-229.42	0.00
860.00 TRAVEL	0.00	0.00	0.00	0.00	0.00	0.00
957.60 TAX INCREMENTAL PAYMENT	0.00	0.00	0.00	0.00	0.00	0.00
957.75 SCHOOL TAX INCREMENTAL PAYMENT	0.00	0.00	0.00	0.00	0.00	0.00
997.00 INDIRECT COSTS	0.00	0.00	0.00	0.00	0.00	0.00
999.01 TRF TO 101 GENERAL FUND	0.00	0.00	0.00	0.00	0.00	0.00
Total BROWNFIELD REDEVELOPMENT AUTHORITY	6,999.00	229.42	229.42	0.00	5,770.58	3.82
Grand Total	6,000.00	229.42	229.42	0.00	5,770.58	3.82

55,600

expstat.rpt 4:02PM
 11/05/2012
 Periods: 0 through 14

Expenditure Status Report
 KALAMAZOO COUNTY
 1/1/2012 through 12/31/2012

247 BROWNFIELD REDEVELOPMENT AUTHORITY
 000 BRA - ADMINISTRATIVE & ENVIRONMENTAL

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prc't Used
728.00 POSTAGE	500.00	93.88	93.88	0.00	406.12	18.78
729.00 COPY CHARGES	1,500.00	141.91	141.91	0.00	1,358.09	9.46
808.00 CONTRACTUAL SERVICES	79,588.50 49,900	1,112.32	1,112.32	805.18	77,582.50	2.41
808.11 CONTRACTUAL OTHER	10,000.00	952.97	952.97	0.00	9,047.03	9.53
850.00 COMMUNICATIONS EXPENSE	500.00	210.00	210.00	0.00	290.00	42.00
860.00 TRAVEL	0.00 + 100	18.54	18.54	0.00	-18.54	0.00
956.00 EMPLOYEE TRAINING	4,000.00	1,319.77	1,319.77	0.00	2,680.23	32.99
957.00 MISCELLANEOUS	1,000.00	0.00	0.00	0.00	1,000.00	0.00
Total BROWNFIELD REDEVELOPMENT AUTHORITY	97,000.00	3,847.39	3,847.39	805.18	92,347.43	4.80
Grand Total	97,000.00	3,847.39	3,847.39	805.18	92,347.43	4.80

47,200

expstat.rpt 4:05PM
 11/05/2012
 Periods: 0 through 14

Expenditure Status Report
 KALAMAZOO COUNTY
 1/1/2012 through 12/31/2012

247 BROWNFIELD REDEVELOPMENT AUTHORITY

002 BROWN FAMILY HOLDINGS REDEVELOPMENT

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prc't Used
Total SALARIES AND WAGES	0.00	0.00	0.00	0.00	0.00	0.00
Total FRINGE BENEFITS	0.00	0.00	0.00	0.00	0.00	0.00
Total BROWNFIELD REDEVELOPMENT AUTHORITY	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	0.00	0.00	0.00	0.00	0.00	0.00

revstat.rpt 11/05/2012 4:10PM
 Periods: 0 through 14

Revenue Status Report
 KALAMAZOO COUNTY
 1/1/2012 through 12/31/2012

Account Number		Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Pct Rcvd
247	BROWNFIELD REDEVELOPMENT AUTHORITY					
001	MIDLINK REDEVELOPMENT					
420.00	TAX INCREMENTAL REVENUE	34,900.00 + 600	45,432.85	45,432.05	-10,537.05	130.18
420.01	SCHOOL TAX INCREMENTAL REVENUE	52,200.00 + 1700	77,532.45	77,532.45	-25,332.45	148.53
	Total BROWNFIELD REDEVELOPMENT AUTHORITY	87,100.00	122,964.50	122,964.50	-35,864.50	141.18
	Grand Total	87,100.00	122,964.50	122,964.50	-35,864.50	141.18

Some changes (rewards)

Budget adjustment

-2,143.73

-2,143.73

revstat.rpt 4:08PM
 11/05/2012
 Periods: 0 through 14

Revenue Status Report
 KALAMAZOO COUNTY
 1/1/2012 through 12/31/2012

247 BROWNFIELD REDEVELOPMENT AUTHORITY
 000 BRA - ADMINISTRATIVE & ENVIRONMENTAL

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Pct Rcvd
402.01 CARRYOVER	0.00	0.00	0.00	0.00	0.00
608.08 SERVICE FEES	2,900.00 -2900	0.00	0.00	2,900.00	0.00
666.00 INTEREST ON INVESTMENTS & DIVIDENDS	0.00	0.00	0.00	0.00	0.00
699.01 TRF FROM #101 GENERAL FUND	0.00	0.00	0.00	0.00	0.00
Total BROWNFIELD REDEVELOPMENT AUTHORITY	2,900.00	0.00	0.00	2,900.00	0.00
Grand Total	2,900.00	0.00	0.00	2,900.00	0.00

revstat.rpt 4:11PM
 11/05/2012
 Periods: 0 through 14

Revenue Status Report
 KALAMAZOO COUNTY
 1/1/2012 through 12/31/2012

247 BROWNFIELD REDEVELOPMENT AUTHORITY
 002 BROWN FAMILY HOLDINGS REDEVELOPMENT

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Pct Rcvd
402.01 CARRYOVER	0.00	0.00	0.00	0.00	0.00
420.00 TAX INCREMENTAL REVENUE	13,000,000 + 6,000	8,570.36	8,570.36	4,728.64	65.93
Total BROWNFIELD REDEVELOPMENT AUTHORITY	13,006,000	8,570.36	8,570.36	4,728.64	65.93
Grand Total	13,006,000	8,570.36	8,570.36	4,728.64	65.93

5278.40

Remainder TIF to come to county: 6,5278.40
 Total TIF will be 613,848.76
 Total budgeted amount will be 13,600,00

Kalamazoo County Brownfield Redevelopment Authority Reimbursement Analysis Review
 5200 E Cork Street Investors, LLC - Kalamazoo, MI
 November 9, 2012

Expenditures

KCBRA Expense

Envirologic Technologies, Inc.		\$	-	\$	51,998.31	\$	51,998.31
Less: MDLK Retainer		\$	-	\$	(10,000.00)	\$	(10,000.00)
Howard and Howard		\$	-	\$	10,757.00	\$	10,757.00
Gazette Posting		\$	-	\$	1,971.06	\$	1,971.06
Staff through 2011		\$	-	\$	229.42	\$	229.42
County Cost Allocation through 2011		\$	-	\$	7,542.20	\$	7,542.20
2012 County Cost Allocation		\$	-	\$	911.20	\$	911.20
2012 Brownfield Operating Expenses		\$	-	\$	3,077.91	\$	3,077.91
Subtotal KCBRA		\$	-	\$	66,487.10	\$	66,487.10

Developer Expense

BEA Activities:	No request for Reimbursement	\$	-	\$	-	\$	-
Due Care Activities:	Approved Reimbursement Request #1 - Nov 17, 2011	\$	435,974.46	\$	393,513.49	\$	829,487.95
Environmental Insurance:*	Approved Reimbursement Request #1 - Nov 17, 2011	\$	-	\$	570,000.00	\$	570,000.00
Contingencies:*	Approved Reimbursement Request #1 - Nov 17, 2011	\$	-	\$	57,480.53	\$	57,480.53
Brownfield Plan:	Approved Reimbursement Request #1 - Nov 17, 2011	\$	-	\$	20,000.00	\$	20,000.00
Interest (3%):	2011 Interest - 11/17/11 - 12/31/2011	\$	-	\$	3,764.69	\$	3,764.69
	2012 Interest - 1/1/12 - 11/15/2012	\$	-	\$	27,219.43	\$	27,219.43
Subtotal Developer		\$	435,974.46	\$	1,071,978.14	\$	1,507,952.60

Total Expenditures \$ 435,974.46 \$ 1,075,056.05 \$ 1,511,030.51

Payments

	Approved	Distributed					
KCBRA	Nov-11	Nov-11	\$	-	\$	17,531.34	\$ 17,531.34
KCBRA	Feb-12	Feb-12	\$	-	\$	17,294.32	\$ 17,294.32
<i>KCBRA</i>	<i>Pending</i>	<i>Pending</i>			\$	<i>18,130.38</i>	\$ <i>18,130.38</i>
Subtotal KCBRA			\$	-	\$	52,956.04	\$ 52,956.04
Developer	Nov-11	Dec-11	\$	52,184.44	\$	-	\$ 52,184.44
<i>Developer</i>	<i>Pending</i>	<i>Pending</i>	\$	<i>53,819.03</i>	\$	<i>-</i>	\$ <i>53,819.03</i>
Subtotal Developer			\$	106,003.47	\$	-	\$ 106,003.47
Total Payments			\$	106,003.47	\$	52,956.04	\$ 158,959.51

Remaining Balances after Payment Requests

KCBRA	2011		\$	-	\$	48,955.76	\$ 48,955.76
	2012	<i>Pending</i>	\$	-	\$	13,531.06	\$ 13,531.06
<i>Current</i>			\$	-	\$	13,531.06	\$ 13,531.06
Developer	2011 (Excludes interest)		\$	383,790.02	\$	1,040,994.02	\$ 1,424,784.04
	2012 (Excludes interest)	<i>Pending</i>	\$	329,970.99	\$	1,040,994.02	\$ 1,370,965.01
<i>Current (Includes Interest)</i>			\$	329,970.99	\$	1,071,978.14	\$ 1,401,949.13
Total Remaining Balances			\$	329,970.99	\$	1,085,509.20	\$ 1,415,480.19

*Total environmental insurance cost was \$627,481. Therefore, contingency of \$57,481 was used for TIF Reimbursement Request

Midlink Interest Calculation

- 3% simple interest
- Interest calculated on the unpaid balance of non-interest developer eligible expenses.
 - Interest eligible expenses are all approved developer expenses except accrued interest.
- Interest is calculated for the period of time elapsed between approval of invoices, payments or the end of the year.
- Interest is added to the unpaid balance of non-interest developer eligible expenses at the end of each year.
- Payments made to the developer from TIF collection are applied to the interest accrued from the date of the previous payment first and then to the principle.
- Total interest shall not exceed \$2,000,000.
- 2011 Calculation - $\$1,424,784.04 * 0.03 * (44/365 - \text{date of initial payment through the end of the year}) = \$5,152.64$
- Current 2012 Calculation - $\$1,370,965.01 * 0.03 * (319/366) = \$35,847.36$ through November 15th.
 - This total will change when TIF is distributed to Midlink and at the end of the year

From the Development Agreement:

2.3 Order of Payments: The actual and documentable administrative expenses and Eligible Activities of the Authority, as described in Section 6.5, will be paid first, with the balance of the Tax Increment Revenues paid to the Developer as reimbursement for the actual cost of the Eligible Activities and Work Plan costs, plus interest calculated at 3% simple interest on Developer's unpaid Eligible Activities from the date they have been approved for reimbursement by the Authority. All payments will be governed by the Plan Amendment and this Agreement. It is anticipated that the Authority shall retain and accrue amounts available from increased tax revenues.

Kalamazoo County Brownfield Redevelopment Authority Reimbursement Analysis Review

Brown Family Holdings, LLC - 2700 N Pitcher St, Kalamazoo Township, MI

November 9, 2012

Expenditures						
KCBRA Expense						
Project Initiation		\$	-	\$ 2,846.50	\$ 2,846.50	
Phase I		\$	-	\$ 2,801.25	\$ 2,801.25	
Phase II		\$	-	\$ 33,182.51	\$ 33,182.51	
BEA/Due Care Plan		\$	-	\$ 4,496.75	\$ 4,496.75	
Brownfield Plan		\$	-	\$ 4,242.91	\$ 4,242.91	
<u>Administration:</u>						
Staff		\$	-	\$ 150.00	\$ 150.00	
County Cost Allocation						
2012		\$	-	\$ 227.80	\$ 227.80	
Brownfield Operating Expenses						
2012		\$	-	\$ 769.48	\$ 769.48	
Subtotal KCBRA		\$	-	\$ 48,717.20	\$ 48,717.20	
Developer Expense						
Impervious Cover - former UST area		\$	-	\$ 4,000.00	\$ 4,000.00	
Soil Vapor Extraction System (SVE) Operation and Maintenance		\$	-	\$ 15,000.00	\$ 15,000.00	
Subtotal Developer		\$	-	\$ 19,000.00	\$ 19,000.00	
Total Expenditures		\$	-	\$ 67,717.20	\$ 67,717.20	
Payments						
	Approved		Distributed			
KCBRA			Nov 2010	\$ -	\$ 4,618.18	\$ 4,618.18
			March 2011	\$ -	\$ 7,658.88	\$ 7,658.88
			Oct 2011	\$ -	\$ 2,214.33	\$ 2,214.33
			Oct 2011	\$ -	\$ 2,951.50	\$ 2,951.50
			Feb 2012	\$ -	\$ 8,570.36	\$ 8,570.36
	PENDING		PENDING	\$ -	\$ 5,278.40	\$ 5,278.40
Subtotal KCBRA		\$	-	\$ 31,291.65	\$ 31,291.65	
Developer		\$	-	\$ -	\$ -	
Subtotal Developer		\$	-	\$ -	\$ -	
Total Payments		\$	-	\$ 31,291.65	\$ 31,291.65	
<u>Remaining Balances after Payment Requests</u>						
KCBRA		\$	-	\$ 17,425.55	\$ 17,425.55	
Developer		\$	-	\$ 19,000.00	\$ 19,000.00	
Total Remaining Balances		\$	-	\$ 36,425.55	\$ 36,425.55	

**MEMORANDUM OF UNDERSTANDING REGARDING
KARTAR #6: 306 N GRAND ST, SCHOOLCRAFT VILLAGE PROPERTY CLEANUP AND
PROPERTY TRANSFER**

THE KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY (KCBRA), a Michigan public body corporate, 201 West Kalamazoo Ave, Kalamazoo, MI 49007, and THE KALAMAZOO COUNTY LAND BANK AUTHORITY (Land Bank), public body corporate organized pursuant to the Michigan Land Bank, Fast Track Act, 2003 P.A. 258, MCL § 124.751 – 124.774 (the “Land Bank Act”) 229 E. Michigan Ave., Suite 340, Kalamazoo, MI 49007, in consideration of the provisions specified below, agree to this Memorandum of Understanding for the acquisition, assessment, cleanup, promotion, and sale of Kartar #6 property located in the Village of Schoolcraft, Kalamazoo County.

RECITALS:

- A. The KCBRA was established under the auspices of the Brownfield Redevelopment Financing Act (1996 PA 381, as amended) by the Kalamazoo County Board of Commissioners by resolution in 2002.
- B. Since the KCBRA was established, it has used grant and other funding to pay for Phase I, Phase II, BEA and Due Care Plan activities in several projects that have aided in the redevelopment of property.
- C. The Treasurer of Kalamazoo County has acquired through tax foreclosure procedures in accordance with 1983 P.A. 206, as amended by 1999 P.A. 123, MCL 211.1 et. Seq. property # 14-18-451-100, located at 306 North Grand in the Village of Schoolcraft, Kalamazoo County, known as “Kartar #6”
- D. Pursuant to PA 146 of 2000, once the Land Bank takes ownership of the Kartar #6 property, the property is eligible for inclusion in the County’s Brownfield Plan, as periodically amended and restated.
- E. The KCBRA and the Land Bank want to create a foundation for co-operative efforts, maximizing the tools available for redevelopment of brownfield sites owned by the Land Bank. The Kartar #6 property is suitable for an initial project with minimum risk to both parties, and great potential due to its visible location on US-131 in the Village of Schoolcraft.
- F. The KCBRA and the Land Bank recognize that to achieve the mutual goal of returning the Property to productive use, the cooperative efforts of both parties are needed. This Memorandum of Understanding will therefore serve the best interests of community.

Accordingly, the KCBRA and the Land Bank agree to the following terms and conditions:

TERMS AND CONDITIONS:

1. Recitals: The recitals accurately reflect the intent and purpose of this Memorandum of Understanding and are made a part of it.
2. Description of Property: The property is described as VILLAGE OF SCHOOLCRAFT BULL'S ADDITION LOT 13 EXC 10 FT OFF E SIDE BLK 2. The size of the property is 82.5 ft x 118.29 ft. It is located at the northeast corner of North Grand (US-131) and Cass Streets, in the northeast part of the downtown of the Village. It is part of the Village DDA (Downtown Development Authority.) It was previously used as an automotive repair shop and gas station. The property is currently vacant land with remnants of the parking lot and some vegetation growing on it. Documentation for Approved Partial Closure by Michigan DEQ is attached as Exhibit A.
3. Description of Project: The intent and purpose of this Agreement is threefold:
 - a) KCBRA, through their designated environmental consultant, will administer and oversee the environmental assessment (Phase I, Phase II, BEA, Due Care Plan and possible cleanup) of the Property, and any other activities necessary to prepare the Property for redevelopment,
 - b) The Land Bank will take ownership of the property from the County Treasurer and hold the property, incurring all holding costs, until redevelopment or sale.
 - c) The KCBRA will add the property to the Kalamazoo County Brownfield Plan allowing for reimbursement of Eligible Activities via tax increment financing pursuant to 1996 PA 381.
4. Duties and Responsibilities of KCBRA: The duties and responsibilities of KCBRA towards completion of the Project include the following undertakings:
 - a) Engage the services of their designated environmental consultant/contractor (Contractor) to perform a Phase I environmental site assessment.
 - b) If deemed necessary in order to facilitate the return of the property to functional use, as deemed necessary by the KCBRA at its sole discretion, engage the Contractor in further environmental testing which may include Phase II, BEA and Due Care Plan activities, in addition to potential remediation activities, as well as write the amendment to the Kalamazoo County Brownfield Plan.
 - c) Provide funds for contractual work through the approval of a Work Order and oversee the activities of the Contractor, and ensure that sufficient documentation of the activities performed by a Contractor is provided to KCBRA, including the dates and complete description of the work (some or all of which may be considered an eligible activity under Act 381).
 - d) Assist Land Bank in attracting developers or private business to the site.
5. Duties and Responsibilities of the Land Bank: The duties and responsibilities of the Land Bank towards completion of the Project include the following:
 - a) Provide funds to cover the costs of acquiring and holding the subject property, including any maintenance of the property that is or may become necessary.

- b) Actively market the property.
- c) Negotiate terms and coordinate the sale of the property.
- d) Attract developers or private business to the site.

6. Reimbursement and allocation income generated:

- a) The Land bank will utilize fifty percent of the eligible tax reverted property specific tax to and among this state and cities, townships, villages, school districts, counties, or other taxing units, at the same times and in the same proportions as required by law for the disbursement of taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155 as its method of reimbursement.
- b) Inclusion in the Brownfield Plan will allow the KCBRA to collect TIF for the reimbursement of Eligible Activities incurred by the KCBRA and/or a future unknown private business or developer and collect funds for its local site remediation revolving fund. For the first five years of capture only, the BRA's capture is subordinate to any tax capture of the Land Bank under subsection (a).
- c) It is understood that proceeds from the sale of the property will be distributed as to induce parity among the internal rates of return for both parties with respect to this project. Details of estimated expenses and revenues of this project are attached as Exhibit B.

7. Binding Effect: The obligations of the parties under this Agreement shall bind and inure to the benefit of each party and their respective successors. The parties do not intend to confer any benefits on any person, firm, corporation, or other entity which is not party to this Memorandum of Understanding.

8. Notices: Any notices that may be required under this Memorandum of Understanding shall be in writing and delivered personally, or via first-class mailed, postage fully prepaid and properly addressed to:

Land Bank: Kelly Clarke, Executive Director
229 E. Michigan Ave., Suite 340
Kalamazoo, MI 49007

KCBRA: Kalamazoo County Brownfield Redevelopment Authority
Planning Dept, Room 101
201 W. Kalamazoo Ave
Kalamazoo, MI 49007

9. Indemnification: As both parties are governmental entities each agrees to indemnify and hold each other harmless, including its elected officials, agents, employees, officers and representatives, from all fines, costs, lawsuits, claims, demands and actions of any kind or nature, including reasonable attorney fees, which occur by reason of any wrongful act, negligence or wrongful omission on the part of the other. For purposes of this paragraph the County of Kalamazoo is considered included.

KALAMAZOO COUNTY LAND BANK AUTHORITY

Dated: _____

By: _____

Its: Chairperson

KALAMAZOO COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY

Dated: _____

By: _____

Its: Chairperson

DRAFT

